

PIC Slam - Verizon East

Line	ACTIVITY DESCRIPTION	Average Activity Time (minutes)	Activity Occur %	Adjusted Activity Time (minutes)	Job Class	Labor Rate per Minute
A	B	C	D	E=(C*D)	F	G
	Verizon Resolution Center (VRC)					
1	Investigate and Resolve Slamming Complaint	36.00	100%	36.00	AD	\$0.58
	SUB-TOTALS:					
2	Verizon Resolution Center					
	With OVERHEAD LOADING¹:			= Sub-totals * OL of 1.4591		
3	Verizon Resolution Center					
	With REVENUE LOADING²:			=Sub-totals with OL * RL of 1.0844		
4	Verizon Resolution Center					
5	TOTAL COST PER PIC SLAM (Line 4):					
6	PIC SLAM COST PER PIC CHANGE (Tab 2 Line 5)					

¹ The Common Overhead Loading includes various types of marketing, corporate operations and general support expenses and is developed as a percentage of company total expenses.

² The Gross Revenue Loading is a composite of the Gross Receipts Tax levied on Verizon's revenues by some states, the Regulatory Assets Tax levied by state and federal regulators for management of our product and service revenues, and the uncollectible revenues written off in a period.

Activity Cost per Line H=E*G

\$20.88

\$20.88

\$30.47

\$33.04

\$33.04
\$0.06

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given yea

PIC SLAM - INCREMENTAL COST PER PIC CHANGE

Line	Item	Amount	Source
	A	B	C
1	Estimated # PIC Slams - Vz East	22,327	VRC Operations Support
2	Total PIC Changes	13,359,026	Tab 3: PIC Change Volumes
3	% PIC Slam per PIC Change	0.2%	L1 / L2
4	PIC Slam Cost per Line	\$33.04	Tab 1: Cost Study L5
5	PIC Slam Cost per PIC Change	\$ 0.06	L3 x L4

PIC CHANGE VOLUMES

Source: SAR Reporting System - January to December 2003

Jurisdiction	Carrier Initiated			CSSC/BSC Initiated			Total	Grand Total
	InterLATA	IntraLATA	Total	InterLATA	IntraLATA	Total	InterLATA	
A	B	C	D=B+C	E	F	G=E+F	H=B+E	I=D+G
Verizon East	2,863,392	2,209,357	5,072,749	5,333,587	2,952,690	8,286,277	8,196,979	13,359,026

VERIZON - TEXAS FULLY ASSIGNED LABOR RATES

Line	Functional Organization/Title	Job Classification	Year 2002 TX	Yr 2003 Labor Rate per Hour	Labor Rate per Minute
A	B	C	D	E *	F=E/60
1	VRC - Customer Service Representative - TX	AD	\$39.32	\$40.89	\$0.68

* Labor Rates based on personnel located in TX, fully assigned based on Year 2002, and trended at 1.04% to 2003.

INPUT FACTORS

Line A	Factor B	Value C	Source D
1	Cost of Money	11.25%	Service Costs
2	Common Overhead	1.4591	Tab 6 OH Loading
3	Gross Revenue Loading	1.0844	Tab 7 Rev Loading
4	Labor Trend Factor	1.04	(See Note)

Note:

Labor trend is based on forecasted Verizon management and non-management annual salary increases as proposed by salary compensation guidelines and negotiated changes to labor contracts respectively.

MARKETING, CORPORATE OPERATIONS & GENERAL SUPPORT OVERHEAD FOR PIC CHANGE STUDIES -Verizon East

All Data from ARMIS 43-01 for 2003 (Subject to Separations) (Dollars in \$000)

	Customer Operations Marketing 1140 A	Corporate Operations 1160 B	Depreciation and Amortization 1180 C	Support Plant Depr. & Amort. 1620 D = (E/F) x C	Support Plant 1690 E	Total Plant in Service 1690 F	Total Operating Expense 1190 G
Washington, D.C.	\$ 27,444	\$ 104,915	\$ 197,187	\$ 59,812	\$ 651,854	\$ 2,149,024	\$ 485,337
Maryland	\$ 75,159	\$ 421,539	\$ 623,518	\$ 70,329	\$ 877,992	\$ 7,784,062	\$ 1,784,715
Virginia	\$ 79,776	\$ 403,321	\$ 604,028	\$ 61,258	\$ 814,594	\$ 8,032,266	\$ 1,719,868
West Virginia	\$ 18,337	\$ 117,751	\$ 166,779	\$ 17,937	\$ 241,919	\$ 2,249,311	\$ 470,379
Delaware	\$ 10,621	\$ 58,817	\$ 83,814	\$ 7,791	\$ 107,026	\$ 1,151,352	\$ 249,010
Pennsylvania	\$ 108,027	\$ 664,277	\$ 991,710	\$ 114,910	\$ 1,482,670	\$ 12,795,892	\$ 2,849,140
New Jersey	\$ 123,764	\$ 808,477	\$ 956,334	\$ 133,764	\$ 1,762,008	\$ 12,597,302	\$ 3,007,485
Maine	\$ 17,529	\$ 94,175	\$ 125,399	\$ 8,835	\$ 128,163	\$ 1,819,062	\$ 398,598
Massachusetts	\$ 88,954	\$ 550,189	\$ 805,499	\$ 77,179	\$ 1,036,016	\$ 10,812,606	\$ 2,594,909
New Hampshire	\$ 13,892	\$ 97,333	\$ 142,105	\$ 9,970	\$ 146,523	\$ 2,088,393	\$ 404,812
Rhode Island	\$ 10,245	\$ 62,444	\$ 93,951	\$ 8,360	\$ 108,072	\$ 1,214,477	\$ 270,892
Vermont	\$ 6,584	\$ 48,729	\$ 71,922	\$ 4,879	\$ 70,461	\$ 1,038,762	\$ 195,603
New York	\$ 273,802	\$ 1,719,342	\$ 1,994,195	\$ 253,681	\$ 3,521,905	\$ 27,685,764	\$ 7,287,445
SUBTOTAL	\$ 854,134	\$ 5,151,309	\$ 6,856,441	\$ 828,706	\$ 10,949,203	\$ 91,418,273	\$ 21,718,193
USOA 2124 Inv. in PIC Study				(702.54)	\$ (9,282)		
TOTAL VERIZON EAST	\$ 854,134	\$ 5,151,309	\$ 6,856,441	\$ 828,004	\$ 10,939,921	\$ 91,418,273	\$ 21,718,193

Overhead Loading (Column A + Column B + Column D) / (Column G - Column A - Column B - Column D)

45.91%

REVENUE LOADING FACTOR FOR TAXES & UNCOLLECTIBLES FOR PIC CHANGE STUDIES

All Data from ARMIS 43-01 for 2003 (Subject to Separations) (Dollars in \$000)

ARMIS ROW NUMBER	Uncollectibles 1060 A	Total Other Taxes 1490 B	Total Operating Revenues 1090 C
Washington, D.C.	\$ 2,390	\$ 53,487	\$ 605,362
Maryland	\$ 41,803	\$ 149,016	\$ 2,158,600
Virginia	\$ 41,858	\$ 88,714	\$ 2,096,212
West Virginia	\$ 8,378	\$ 39,181	\$ 586,058
Delaware	\$ 3,278	\$ 12,601	\$ 324,476
Pennsylvania	\$ 60,061	\$ 133,831	\$ 3,199,471
New Jersey	\$ 18,614	\$ 120,262	\$ 3,396,629
Maine	\$ 10,152	\$ 22,428	\$ 461,383
Massachusetts	\$ 60,908	\$ 54,070	\$ 2,448,425
New Hampshire	\$ 9,843	\$ (4,081)	\$ 435,509
Rhode Island	\$ 6,930	\$ 11,804	\$ 286,608
Vermont	\$ 5,019	\$ 7,168	\$ 223,919
New York	\$ 182,814	\$ 654,218	\$ 6,839,866
TOTAL VERIZON EAST	\$ 452,048	\$ 1,342,699	\$ 23,062,518

Revenue Loading (Column A + Column B) / Column C **0.0778**

Grossed-Up Revenue Loading Factor **1.0844**